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Costs of the French Nuclear Weapons Program

ERA Project No. 25.4982

(R/FP Contribution to

NIE 22-1-66, The French Advanced
Weapons Program)

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9 December 1966

GROUP 1
Excluded from automatic
downgrading and
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~~SECRET/NO FOREIGN DISSEM~~III. Costs and Economic Burden

30. Costs of the French advanced weapons program are high and are increasing faster than the French themselves had anticipated. Appropriations for the advanced weapons program in the annual budgets for 1965-67 have exceeded by more than 60 percent the amount indicated for those three years by the Second Program Law adopted in the fall of 1964. Actual expenditures on the program have run even higher than is indicated by budget data. Funds provided by the French military budget expressly for the nuclear force do not include adequate provision for military-related expenditures at facilities used jointly for military and peaceful purposes, or for funds spent from the operating budgets of the armed forces in support of nuclear weapons development and testing. Making allowance for such expenditures, we estimate the costs of the French advanced weapons program as follows:

Estimated Investment and Operating Costs of the
French Advanced Weapons Program

(in billions of dollars calculated
at 4.9 French francs per dollar)

<u>Type of Activity</u>	<u>1960-64</u> <u>(Five-Year Period)</u>	<u>1965-70</u> <u>(Six-Year Period)</u>
Nuclear weapons and development of nuclear propulsion	2.2	6.5 - 7.5
Delivery systems (aircraft, missiles, and submarines)	0.6	3 - 5
Total	2.8	10 - 12*

* The range shown for the total is believed more accurate than that implied by summing the components.

The French are now spending about five percent of their gross national product (GNP) for military purposes. Somewhat more than one and one-half

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percent is devoted specifically to nuclear weapons and delivery systems.

Annual expenditures on the advanced weapons program have risen from \$230

million, or about 0.4 percent of GNP in 1960, to approximately \$1.6

billion, or about 1.6 percent of GNP, in 1966. They may be over \$2

billion -- ^{about 1.8} (approaching 2) percent of GNP -- by 1970. Despite this rise in

expenditure on the advanced weapons program, the French hope to hold total

defense spending to a relatively constant share of GNP. They managed to do

this in the first half of the 1960s not only because the total economy

grew rapidly, but also because they cut their conventional forces about in

half after the Algerian war, and slashed or postponed re-equipment and

modernization programs.

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